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## Immigrant Entrepreneurship: An Account of the Korean Experience

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### Cover Page Footnote

Author(s) would like to acknowledge the contributions of Robert Casey and Ben Oviatt to this study.

#### EDITORIAL NOTE

A sizeable amount of effort has been expended towards examining the general drivers and conditions that lead to entrepreneurial activity and its sustainment. Most efforts have focused on affect, identity, or specific cognitive skills that are needed to engage in entrepreneurial action. Wallace Taylor's article is different. He wants to examine and understand specific conditions that enable and grow entrepreneurial action in unique cultural and ethnic contexts—that of local Korean communities in the United States. These communities are known to be one of the most entrepreneurial and risk taking groups in the US and globally. He finds the specific role of social networks that emerge at the community-level through religious activities, and the growing impact of the use of social media to use and expand relationships that can support and expand entrepreneurial activity. Another distinguishing feature is the rich ethnographic tone of the study, which reveals the experience and life contexts of these entrepreneurs in this unique cultural enclave.

## Immigrant Entrepreneurship: An Account of the Korean Experience

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#### ABSTRACT

This research account reports conclusions from a small group of interviews done with Korean-American entrepreneurs located in three ethnic enclaves near Atlanta, GA. The purpose of this research is to further knowledge in immigrant entrepreneurship. Methodology comprised seven one-hour interviews conducted with first-generation business owners (one male and six female) in three enclaves in Atlanta. The research used qualitative design and focused on answering three questions: How do Korean entrepreneurs discover and exploit opportunities to develop business? How does this sample describe their experiences in the studied enclaves? And how might espoused cultural traits and business skills affect entrepreneurial success? I found that these ethnic entrepreneurs started and operated their businesses in ways similar to what has been reported in prior research and similar to native-born American entrepreneurs. However, some important differences also emerged. First, Korean electronic social media were used in ways not previously reported. Second, churches provided support that seemed to be greater than support received from secular enclave associations. Third, the enclaves themselves evolved in ways that are different from what has been reported about Korean enclaves in the current literature. These findings imply that the entrepreneurial experience for this population is self-contained and suggest that these topics warrant additional research.

## SYNOPSIS

### Purpose

This research reports deductions from a small group of interviews done with Korean-American entrepreneurs located in three ethnic enclaves near Atlanta, GA. The purpose of this research is to expand our understanding of immigrant entrepreneurship. It also is intended to provide practical knowledge useful to those interested in engaging Korean entrepreneurs.

### Problem of Practice

The problem of practice is centered on the dearth of knowledge about the Korean entrepreneurial experience. Entrepreneurs have an important role in growing the economy, providing jobs, and meeting the needs and wants of communities. In addition, immigrant entrepreneurs bring culturally varied experiences and expertise that are specific to them and their community and that affect how they relate to the host environment. Despite the high number of entrepreneurs in these communities, very little is known about how their experiences shape their decisions and business activities.

### Results

How have Korean entrepreneurs in a metropolitan Atlanta Korean enclave discovered and exploited the opportunities to develop business ventures? This study resulted in the following findings:

- None of the interviewees created their business based on business research and planning. The people interviewed all made businesses that were common startup ventures for Korean entrepreneurs, as in the case of Ms. Ko and Mr. Wang. These people started a business with which they were already familiar based on experience, regardless of external competition.
- Funding often came from prior personal savings. None of the participants used Rotating Credit Associations, and only one took out a bank loan

- Family involvement was a central theme in business operations.
- The Internet and online sales played vital roles, depending on the business type. The beauty supply store experienced improvement in revenue, while the video store experienced declining sales
- Advertising primarily focused on print, church announcements, and Korean festivals.
- Specific forms of Korean social media (e.g., KakaoTalk, Cyword) were used to market goods and services
- One firm gained publicity by being highlighted in local magazines (Ms. Lee).
- One company discovered opportunity by diversifying the goods and services offered and reaching out to several kinds of retail locations (Ms. Noe).
- One firm expanded its market by catering to other immigrants (Ms. Nang). This business was unique in that the owner claimed that a substantial portion of her customers were non-Koreans.

How do Korean entrepreneurs describe their experiences in working within the enclave?

- Many interviewees said the Korean American Association of Greater Atlanta provided support.
- Associations, such as beauty supply, grocery, and laundry associations, were important for business support.
- Most customers were Korean.
- The geographical concentration of Korean-owned businesses stretched from Doraville, GA to Duluth, GA, to Suwannee, GA. Respondents had varied opinions about the purpose of or reason for this distribution.
- The local government recognized the presence of and challenges confronting the Korean community and instituted regulations to promote communication, protection, and public image.

How do espoused Korean cultural traits and business skills affect entrepreneurial success within the enclave?

- Interviewees stated that understanding Korean culture requires an understanding of Korean history. The Korean–Japanese war strongly shaped how interviewees view their own culture and the value systems that shape it.
- Education is highly valued because it is a means of overcoming challenges.
- Hard work is recognized and expected in the Korean culture.
- Religion is seen as important to business. Interviewees reported that churches were helpful for their businesses and were a better source of support than secular Korean associations.

### Conclusions

This research, which began with the curiosity of an immigrant entrepreneur in the United States, found that Korean entrepreneurs in enclaves in Atlanta, GA, initiate and operate ventures in ways that are similar to entrepreneurs born in the United States. Both groups tend to build on their own personal experience. Their businesses are not particularly innovative, and financing usually comes from their own savings. Family members work long hours with little pay, reinvesting the savings back into their business. The distinction, of course, is that the Korean entrepreneurs appeal to the Korean population and culture.

Korean entrepreneurs today use Korean social media to promote their businesses. Little or no research has been done on how social media affects business and entrepreneurship in ethnic enclaves. Because social media is such an important business tool in the dominant culture of the United States, a full understanding of ethnic entrepreneurship requires future research on the topic of social media use to reach consumers in ethnic enclaves.

Consistent with prior research, I found that Korean-American churches provide some support and guidance to Korean-American entrepreneurs. However, in contrast with what prior research has found, the local secular Korean associations in Korean enclaves had little influence.

Perhaps related to this issue is that the dramatically growing Korean population in Atlanta is changing the nature of the local Korean enclaves. The Duluth and Suwanee enclaves seem to be gaining prominence, to the detriment of the original enclave in Doraville. Furthermore, the quality of government responses has had an effect on that evolution. Because such enclave

evolution in Atlanta has been different from what has occurred in Los Angeles (cf. Zhou & Cho, 2010), research that would provide a better understanding of these differences might benefit both the ethnic enclaves and the larger culture.

### Practical Relevance

This research shows practical significance for three main reasons. First, Korean entrepreneurship is a strengthening economic reality in these immigrant enclaves in Atlanta, GA. Second, Korean culture, in the form of societal relationships, is likely to continue to permeate throughout the host society. Third, understanding the elements that shape the culture, commerce, and

framing of Korean entrepreneurs might represent opportunities for business owners to improve commerce with this group, to grow through rich experiences in cultural diversity, and to learn lessons that might be transferred to enhance business practices and entrepreneurial success.

### Keywords

Korean, entrepreneurship, culture, management, ethnic entrepreneurship, Atlanta, international business

## METHODS

### Research Questions

How do Korean entrepreneurs within a metropolitan Atlanta Korean enclave discover and exploit the opportunities to develop business ventures? How do Korean entrepreneurs describe their experience in working within the enclave? How do espoused Korean cultural traits and business skills affect entrepreneurial success within the enclave?

### Research Design

I completed a qualitative study using interviews consisting of open-ended questions. The interviews explored how Korean entrepreneurs in the geographic locale selected affect and interact with

the ethnic enclaves. The research method involved multi-case exploration. Each interview represented a case study. I hoped to attain some measure of transferability with the findings of this project.

### Data Collection and Analysis

Interviews were conducted with seven first-generation Korean entrepreneurs in three recognized Korean communities in Georgia: Doraville, Duluth, and Suwanee, which are located in northeastern Atlanta. Most subjects were selected through the local Korean Yellow Pages. The seven self-selected participants came from an original pool of 50 business owners. (Most of the 50 potential participants declined to be interviewed.)

The interviews took place in the entrepreneurs' place of business. Software was used to link the transcripts of the audio recordings to the interview code-book codes and then to the corresponding research questions. For each interview, interview reflection documents and contact summary forms were completed to summarize the data collected.

After the transcripts were created and the coding completed, the researcher and contributors independently identified themes and anomalies. We then met to discuss these analyses and to arrive at findings.

## PRACTICAL PROBLEM

According to the Pew Research Center's 2012 Asian-American survey, Asian Americans make up the best-educated and fastest-growing racial group in the United States and have the highest income; in addition, Asians now make up the largest share of recent immigrants (Pew Research Social & Demographic Trends, 2012). Atlanta's population currently includes approximately 50,000 individuals of Korean descent (Pew Research Center, 2012), primarily gathered around the I-85 highway corridor extending northeast from the center of Atlanta into the adjacent suburbs of Doraville, Buford, and Suwanee. According to KoreanBeacon.com, a website devoted to Korean-American life, Atlanta is fifth in its list of top Korean-American cities; the Korean population in one local county doubled during the past decade. Atlanta reportedly also has four Korean-language television stations, in addition to a daily Korean newspaper, the *Atlanta ChoSun*. Large stretches of one local highway are populated with many Korean retail stores and services, designated by signs written in Korean. Data thus indicate that Korean-Americans are a large and growing ethnic group in the United States, and the Atlanta suburbs are an important center of their economic activity. Despite these statistics, little has been written on this demographic in the Atlanta area. Engaging this demographic requires an understanding of the networks, processes, and approaches of how they start and operate firms and the difficulties they face.

The literature suggests that for a Korean in the United States, a business start-up involves complexities that a native-born American does not face (Lee, 2006; Toussaint-Comeau, 2008; Yoo, 1998; Zhou & Cho, 2010). The reasons include a variety of sociocultural issues, different business and family factors, and the influence of a Korean cultural enclave. The findings suggest that new ventures and small businesses founded by Korean immigrants exist for many of the same reasons as native-born American businesses.

However, Korean enclaves are not monolithic, and they do not all appear to be as tightly structured as the descriptions of those in Los Angeles (Zhou & Cho, 2010). In addition, how social media influence Korean business activity in the United States has been insufficiently studied.

To highlight these issues, this research investigated cultural and social issues that influence business formation and maintenance among a small group of Korean entrepreneurs. The author of this research owns business ventures in Korean martial arts. As an immigrant, internationally licensed black belt master of Taekwondo (a Korean martial art), and entrepreneur, I became interested in understanding how such business start-ups are initiated among Koreans in the United States generally, and how the Korean community of Atlanta reflects both similarities with and differences from broader norms.

## LITERATURE REVIEW

Immigrants currently are regarded as one of the most important groups in the study of entrepreneurship, but more needs to be understood about what drives them to open and run their own businesses.

Previous findings of why ethnic entrepreneurs create business have been varied. Albanians in Macedonia were motivated by the opportunity to be independent (Ramadani & Rexhapi, 2014). The Dutch in New Zealand were motivated by social acceptance and wanting to fit into the host country's society (Vries, Hamilton, & Voges, 2015). Some ethnic entrepreneurs open businesses as a means of overcoming social challenges, such as limitations in using the native language (i.e., to improve their language acquisition) and being recognized as having qualifications that allow them to contribute to society (Assudani, 2009). Although it has offered useful content, previous research lacked an Asian perspective. This research helps to fill this void by focusing on understanding Korean businesspersons—a

group that has one of the highest proportions of self-employed entrepreneurs (Yoo, 2000).

Business formation and entrepreneurial success are complex phenomena—even more among people from one country who start businesses in another country (Volery, 2007). Culture, understood as a set of “understandings, interpretations, or perspectives” (Barley, 1983, p. 393) common to a group (in this case, Koreans in the United States), is an important influence on business formation. For example, Korean-Americans often form associations focused on industries, such as restaurants and laundries, to help ethnic owners as they relate to the host country's culture (Toussaint-Comeau, 2008, p.33). In addition, when they form or join a church, the association can be a powerful sign of isomorphism and legitimacy within the host culture, in addition to the community's religious importance. Churches are a means of reinforcing Korean culture and transmitting Korean cultural capital for use in the new world (Oh & Kilduff, 2001).

Such group-based solidarity yields reciprocal obligations, trust, and even opportunities for marriage, and it can combine to facilitate entrepreneurship among ethnic group members outside their home countries (Volery, 2007). Being part of a social network that shares a foreign ethnic origin has been shown to be empirically associated with an increased likelihood of self-employment (Toussaint-Comeau, 2008). For example, Hispanics and Asians are more likely to own businesses in established gateway cities (e.g., Los Angeles and New York) than whites and blacks (Wang, 2010).

Studies have found that foreigners struggle to adjust to the host country's customs, are sometimes excluded from the host culture, and, sadly, suffer unfair political attacks (Boissevain et al., 1990). Such conditions often result in the formation of geographically concentrated communities of culture and organization known as ethnic enclaves, where people

of similar background can focus on their own needs.

According to one study of immigrants into the United States from 33 different countries, “ethnic networks have a positive effect on the decision to be self-employed as an alternative to wage employment,” but the study revealed “no clear impact of ethnic geographical concentrations on the self-employment decision” (Toussaint-Comeau, 2008, p. 30). Chinese and Korean enclaves in Los Angeles are a complex mix of social and organizational relationships (Zhou & Cho, 2010). They offer entrepreneurial opportunity and employment for Koreans and Chinese to serve the needs of their ethnic minority, whose language is distinct from many others in the United States, who tend to have quite specialized customs, and who might be ignored in the dominant culture, despite their large numbers. Thus, in possible contrast to the finding of Toussaint-Comeau (2008), Chinese and Koreans might be more likely to own small businesses than some other ethnicities in the United States.

Chinese and Korean enclaves also seem to provide much more than entrepreneurial and employment opportunities (Zhou & Cho, 2010). Education for children beyond public school, social interaction and support, and financing new ventures have been observed (Zhou & Cho, 2010). These extensive resources not only enable social mobility but also can attract and hold a strong middle class, which in turn guards against the enclave’s turning into a ghetto. Still, not all Asian enclaves are alike. Chinese immigrants in Los Angeles over time have moved into multiple neighborhoods and become less concentrated; meanwhile, Koreatown in Los Angeles remains the largest center of the Korean community there. The question is whether such patterns of evolution occur elsewhere (Zhou & Cho, 2010).

### **Financing, Family Involvement, and Economic Mobility**

Rotating credit associations (RCAs) are informal groups of individuals who make

periodic contributions to a fund that can be used by group members to fund entrepreneurial ventures (Light, Kwuon, & Zhong, 1990). They have established among Koreans in the Atlanta area (Yoo, 1998). However, RCAs generally do not appear to be a prime source of financing for ethnic entrepreneurs (Bates, 1997). Instead, the source of start-up capital for most ethnic entrepreneurs in the United States is their own savings or loans arranged from relatives, as is true with most entrepreneurs (Basu & Goswami, 1999).

Bank loans are used infrequently by Korean entrepreneurs (Basu & Goswami, 1999), and bankruptcy is rare (Efrat, 2008). Thus, Asian businesses tend to have a higher proportion of equity capital. Reports of higher rates of human capital might result from a greater reliance on unpaid family labor (Efrat, 2008). When Korean workers have a self-employed spouse, the odds of self-employment are 7.7 times greater than they are among those without a self-employed spouse (Wang, 2010). In other words, husbands and wives are likely to own a business jointly. Perhaps these two factors—lower borrowing rates and joint familial efforts—explain why Asian businesses generally have higher incomes and higher rates of success than other ethnic businesses (Wang, 2010).

Yoo (1998) investigated some of these issues by interviewing 159 Korean entrepreneurs in Atlanta. He highlighted several issues:

The higher the education, the sooner the immigrant starts a business. Social networks established based on educational background are crucial for resource mobilization for business operations (Yoo, 1998, p. 165).

In addition, Yoo states that:

a much higher proportion of those who obtained business information through social networks went into business [serving] the non-enclave economy, which has higher economic reward (Yoo, 1998, p. 168).

Yoo (1998) found that these broader social networks serve different purposes than family networks. The former, which may be established through churches, local associations, and community involvement, typically provide business information. The latter is the primary source of financial capital.

Yoo’s (1998) research is distinctive in that he found RCAs are used primarily to sustain an already established business rather than to start a new one. This finding provides a possible explanation for why Korean firms so rarely go bankrupt (Efrat, 2008):

Korean entrepreneurs involved in rotating credit associations (RCA) use the money collected to provide a competitive advantage that enables Korean entrepreneurs to stay in business and reduce turnover rates compared with other ethnic businesses (Yoo, 1998, p. 169).

Finally, Yoo (1998) calls for further research—a call that we believe has not yet been satisfied:

There has been little study of what the consequences of ethnic businesses are. Do ethnic businesses really help the economic mobility of ethnic groups; how do they affect family life, such as gender roles and attitudes...? (Yoo, 1998, p. 171).

The number of Korean immigrants into the Atlanta area has grown since Yoo’s research in 1998. Korean businesses have proliferated and have become established in additional suburbs. Since the time of Yoo’s study, the Internet has become an economic force that was only a novelty of communication in the 1990s. One question to be addressed is how Korean entrepreneurs, social networks, and enclaves use it now. In addition, Korean enclaves and networks around Atlanta might have evolved in additional ways. Thus, among other things, I explore whether Koreans remain concentrated in an enclave, as they

did at the time of Zhou and Cho's (2010) research.

Although Toussaint-Comeau's (2008) use of U. S. census data and quantitative methods permitted her to study many cities and populations of ethnic origins, her sample was limited to individual males between the ages of 25 and 54; her conclusions did not address factors, such as family business formation, which is an important issue among Koreans (Lee, 2006; Zhou & Cho, 2010). Thus, a more micro-oriented study using qualitative methods is expected to enrich our understanding and point to areas for additional research.

**Conceptual Framework** This research adapted a framework (see Figure 1) used by Eamsanudom and Purinruk (2010) to explore the Korean media, movie, and music entertainment wave in Thailand. The explosive way in which Korean culture (food, media, entertainment, music) influences the surrounding countries has been referred to as "The Korean Wave." The theory underlying Eamsanudom and Purinruk's work states that "the Korean wave in Thailand can be recognized as entrepreneurial opportunities...; while some Thai entrepreneurs can *create* their opportunities from this phenomenon..., other [Thai] entrepreneurs are able to *discover* opportunities that have already existed in the business environment". In addition, "the recognition, creation, and discovery of opportunity [presented by phenomena like the Korean Wave] is a way that entrepreneurs find opportunities, depending on their perception with regards to innovation..." (Eamsanudom & Purinruk, 2010). The framework, informed by the theory, enables the investigation of the issues highlighted by the literature review, and it highlights issues ripe for investigation by qualitative research methods.

The following research questions are implied by the framework and are explored in this study:

1. How do Korean entrepreneurs in a Korean enclave discover and exploit the opportunities to develop business ventures?
2. How do Korean entrepreneurs describe their experiences in working within the enclave?
3. How do espoused Korean cultural traits and business skills affect entrepreneurial success within the enclave?

## FINDINGS

A summary of the findings and discussion of them follow, based on the three research questions.

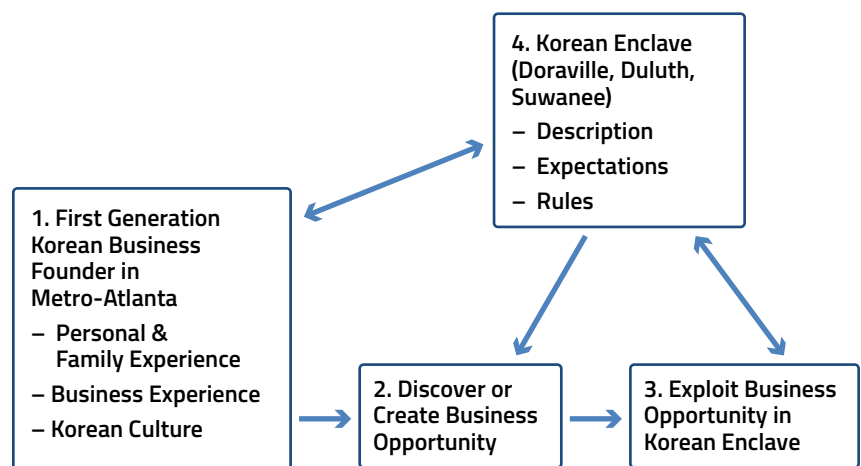
### 1. How do Korean entrepreneurs discover and exploit the opportunities to develop business ventures?

For individuals engaging in entrepreneurial activity, knowing how entrepreneurs in the target demographic create and discover opportunities reveals ways in which potential non-enclave partners also can engage this demographic for mutually beneficial business success or to solve some problems associated with how the population

engages with or in the host culture. To illustrate, four of the business owners interviewed were similar to other ethnic businesses in the United States, which tend to focus on an ethnic group largely ignored by the dominant culture (Zhou & Cho, 2010). This group of enclave-serving businesses might benefit from consulting services targeted at market penetration of their niche product or service.

Meanwhile, some of the interviewees expressed a desire to reach out to other populations for revenue. For example, Ms. Lee's Doraville restaurant had been highlighted in Atlanta's largest newspaper and had attracted a significant number of non-Koreans. Ms. Noe's martial arts wholesale business had sales to buyers in several locations both in and outside the primarily Korean suburbs. Ms. Nang's clinic served local immigrants from a variety of countries. Only these three interviewed entrepreneurs could say that non-Koreans provided an important portion of their revenue. Such businesses with a wider revenue base have a greater chance of long-term success (Yoo, 1998). Connecting and networking with the intent of marketing to these ethnic entrepreneurs might provide a means to improve their financial performance, while renting space to this demographic might result in increased revenue for local landlords.

Figure 1: Conceptual Framework





Understanding why the Korean entrepreneurs started their businesses (e.g., need for independence, desire to pursue an idea, financial ambition, or lack of opportunity in mainstream culture) might reveal opportunities that allow other entrepreneurs interested in engaging this community to collaborate for financial advancement. The motivations and abilities for starting a business among the Korean entrepreneurs interviewed were similar to business founders throughout the United States, regardless of ethnic origin (Shane, 2008). They were stereotypical small businesses, just like those started by other Korean-Americans in other U.S. cities. Mr. Wang, who owned a restaurant, and Ms. Ko, owner of the school, complained that Koreans tend to start too many of the same types of businesses, thereby creating too much competitive pressure. As most entrepreneurs do, our interviewees started businesses they understood. For example, both Korean restaurants emerged from the founders' lengthy experience in the industry. Ms. Lee's restaurant was funded by proceeds from the sale of a prior one that she had sold two years ago. Mr. Wang opened his restaurant after eight years of working at another restaurant. The two founders took advantage of abandoned restaurant locations in different Korean enclaves. Leasing companies interested in hosting ethnic restaurants might look to entrepreneurs who previously operated restaurants when seeking out successful Korean restaurant operators.

Three interviewees explicitly discussed the fact that they have family businesses. Ms. Lee's daughters handle accounting and finance while her husband is involved in operations. Ms. Noe and her husband run the martial arts business. Ms. Park and her husband run the video rental store. As expected of both Korean and native-born U.S. entrepreneurs, operating a family business is common and economizes on human resource expenses. This finding supports extant literature and suggests that entrepreneurs interested in engaging this community have an opportunity to help to improve family dynamics through

entrepreneurism. Such a consulting offering would help to educate Korean entrepreneurs about how to relate to each other in the business setting, as well as how to interface culturally with the host society.

None of the studied interviewees admitted to using an RCA, and only the video store owner mentioned getting a bank loan. Although Yoo (1998) highlighted RCAs among Korean entrepreneurs in the Atlanta area in the 1990s, I did not observe their use among the seven entrepreneurs I interviewed. This finding is very important because it diverges from the literature of previous studies of Korean entrepreneurs. It suggests that lending institutions might have an opportunity to target Korean entrepreneurs in the Atlanta-based enclaves to offer financing for purposes of business development.

Understanding the role of technology is important for entrepreneurs in general, and even more important for those wanting to engage the Korean community. Korean entrepreneurs have specific interfaces and communication platforms that are used only by this community. Technology (e.g., the Internet and social media) has created and aided some businesses while harming others in this study. For example, online sales were a vital part of Ms. Kang's beauty products business. She emphasized that online purchases were efficient for customers who were interested in a speedy purchase and wanted to avoid a trip to a physical store. In contrast, the Internet harmed Ms. Park's video rental business. Customers' ability to download videos resulted in decreasing revenues for her physical store, and she provided no indication that she had been able to take advantage of the Internet herself.

Specialized Korean social media were used extensively by some business owners. For example, Mr. Wang was excited that his restaurant and its food had been recommended on KakaoTalk, a Korean texting program, and on Cyword, a Korean social network similar to Facebook. These

technologies might serve as actionable places of marketing campaigns, and knowledge of them is helpful for those interested in serving the business needs of this community. However, the Korean entrepreneurs studied used a balance of both digital and print media for advertising. Several interviewees said they used traditional print media, including a variety of Korean newspapers (*The Korea Times*) and Korean Yellow Pages. In addition, Ms. Ko said she made announcements about her school in her church and at local Korean festivals. Ms. Nang noted that she gave talks about health issues in the community that often brought in new patients to her clinic. Knowledge of the specialized media and other channels available to the entrepreneurs in this study can be used to help the entrepreneurs develop actionable marketing campaigns designed to engage their customers.

## **2. How do Korean entrepreneurs describe their experiences in working within the enclave?**

The more we understand about the experience of subcultures functioning in a business environment, the more we can uncover entrepreneurial opportunities. An important area where the Korean entrepreneurs differ is in their use of specialized associations for education and communication in their business environment. Interviewees said that the Korean American Association of Greater Atlanta provided support to many people in the local enclaves. Ms. Noe, owner of the martial arts business, said that small Korean-owned grocery, beauty supply, laundry, and other businesses could join associations for mutual support. She acknowledged that she had joined a similar wholesalers' association but eventually quit because the staff assigned to her by the association did not know much about her sort of venture. Ms. Ko, owner of the school, said that older Koreans in the area who had little money could also join a support group. Ms. Park, owner of the video store, said she received help from the Association in completing a business loan application. Although the

interviewees depended heavily on Korean customers from the enclaves, as they started and were running their business, they preferred to be self-reliant and then to access some level of assistance from these specialized associations.

From an entrepreneurial perspective, and with the intent of engaging the studied demographic to establish business relationships, understanding the locations of each enclave and the perceived value of each one presents vital information about how to interact and leverage elements of each locale. The interviews and observations for this study reveal that the experience of Koreans in Atlanta is more like that of the Chinese in Los Angeles than of the Koreans there. Early in the history of Korean-American migration to the Atlanta area, their businesses were clustered in the suburb of Doraville, known for industry, warehouses, and immigrants. Over time, Korean businesses and homes spread over the area. Although Korean immigrants are still in Doraville, the Korean population in Duluth, which is northeast of Doraville, has increased considerably. Even more recently, Suwanee, which is an Atlanta suburb northeast of Duluth is now its own enclave as well.

The interviewees have differing views of these enclaves. Ms. Ko, owner of the school in Duluth, shared an opinion (also expressed by others) that “the three places are all one.” However, Ms. Kang, who owns the beauty products business also in Duluth, believes that, “Duluth is better than Doraville.” Such opinions might reflect a preference for one’s own location. Nevertheless, Ms. Park, the video rental store owner in Doraville, described the reputation of the three Korean enclaves in a way that is consistent with the researcher’s observations: “Doraville is totally business.... Duluth has lots of restaurants and markets, and Suwanee is for dwelling.” A more in-depth study of the three places than what is attempted in this study might yield a more complete answer and possibly explain the reasons for what some Korean immigrants perceive as substantial differences.

After researching the problems confronting her city and local Korean merchants, the mayor of Duluth formed a Korean Task Force in 2009, which cooperatively resolved several lingering issues (KoreAm, 2012). As a direct result, business practices changed, Duluth’s police force hired Korean speakers, and attitudes changed among city officials. As evidenced by the interviews, attitudes among Koreans changed as well. Three interviewees recognized that Duluth’s attractiveness as a business location had improved in recent years, while Doraville’s had not.

### **3. How do espoused Korean cultural traits and business skills affect entrepreneurial success in the enclave?**

Ms. Kang, owner of the beauty business, and Ms. Noe, owner of the martial arts business, both emphasized understanding Korean culture requires understanding Korean history—especially the events of the twentieth century. Japan’s war and occupation of Korea resulted in the oppression of Korean culture. Ms. Kang stressed that education is highly valued by Koreans because it provides a way to overcome the effects of colonization and oppression. Private schools have previously been noted as one of the common types of businesses that ethnic Koreans start in the United States (Zhou & Cho, 2010), and one such business was included in our study. Several interviewees mentioned the high value of education.

Consistent with this value placed on education, interviewed entrepreneurs also reported on the Korean work ethic. Such descriptions support my observations. Still, the average entrepreneur in the United States works more hours than an employee of a large, established firm (Shane, 2008). Thus, determining whether hard work is a distinguishing feature of specifically Korean-American entrepreneurs, more than entrepreneurs generally, requires further study. Such hard work, in either case, would help to guard against business failure.

Another area where the customs of the studied population might diverge from other cultures is in their use of their church community as a means to develop their businesses. Based on the interviews conducted, religious organizations affected the entrepreneurial success of this group. Most of our interviewees attended Presbyterian or Catholic churches in the local enclave. Ms. Noe and Ms. Ko said members of their church advised them and others about the best businesses to enter, as well as where to advertise for businesses. Ms. Park said that her church would help first-generation Korean entrepreneurs. Findings of this study about the role of Korean churches are similar to those of past studies (Zhou & Cho, 2010). For the people interviewed, churches serve as an equal or better business support than secular Korean associations. This information reveals that engaging with the religious organizations of Korean entrepreneurs (i.e., use of church communities) can promote community building while supporting entrepreneurship as well.

### **LESSONS FOR PRACTICE**

Establishing mutually beneficial relationships is necessary for business owners seeking to collaborate and cooperate with business owners in an enclave. Korean churches offer meeting space and sometimes classes to assist Korean entrepreneurs—they are a place where information is shared among businesspeople. Offering these churches support (both members and the leadership) and gaining their trust would communicate credibility and competence within this community. Thus, churches would be a good venue to network with other business owners, to provide help as churches support their entrepreneur members, and to show the value of that help.

Learning and implementing the processes for advertising on Korean social media is another helpful lesson of this study. KakaoTalk can be used much the same way as other texting services to advertise and target the immigrant Korean demographic.

Cyword can give business owners a platform to advertise to and solicit feedback from the Korean community.

Another lesson to learn from this study is how to seize opportunities to provide services to help Korean business owners as they assimilate. Many Korean entrepreneurs cater to the needs of the Korean community alone. However, Korean entrepreneurs who are more confident about participating in the culture and using the language of the broader, mainstream environment can expand the services or commodities they offer. Mainstream entrepreneurs can help the Korean entrepreneurs to develop these skills and confidence.

Finally, this study reveals important life histories and structures by which Korean entrepreneurs relate to networks and social capital. Churches and family relationships appear to be places where such capital and relationships are forged. Strategic combinations of these relational networks would prove invaluable for establishing mutually beneficial business relationships. Establishing and embracing relationships with church officials and understanding the family dynamics that exist in these kinds of Korean small-businesses can be important factors for those interested in engaging in business relationships with Korean entrepreneurs.

## CONTRIBUTIONS TO THEORY

This study contributes to theory in two primary areas. First, the study extends the work of studies in Los Angeles, CA, of the same population by considering Korean enclaves in another geographic area: Atlanta, GA. This extension allows comparisons to be made and opens a space for dialogue about why differences in the populations might have evolved. The study generates a discourse about the elements of transferability, respective to the findings of both geographies. The implications might serve as contextual framing for further studies in the areas of social media, Korean culture, and the phenomena of immigrant entrepreneurship.

Second, this research suggests a more concrete link between the espoused cultural traits and entrepreneurial success. The study reveals that participants acknowledge and believe the assumptions that Korean Americans' value of education and their propensity for hard work are necessary for success when launching new business ventures.

## APPENDIX ON METHODS

This research used a qualitative design to explore and compare how Korean entrepreneurs in three Korean enclaves in the Atlanta area affect and were affected by the enclaves.

### Sample

Interviews were conducted during the summer of 2013 with one male and six female first-generation Korean entrepreneurs in each of the three recognized Korean communities in the northeastern area of Atlanta: Doraville, Duluth, and Suwanee. Table 1 summarizes the participants in the study, their type of business, the enclave within which they operate their business, and the years of operation. To maintain the confidentiality promised to participants, fictitious entrepreneur names are used. Most of the subjects were identified through the local Korean Yellow Pages. The process required more than 50 telephone calls to businesses that achieved name recognition in a wide variety of industries, located in each of the three Korean enclaves. Many owners contacted declined to be interviewed. One interview, first identified using the Korean Yellow Pages, was secured through a social network connection. Two interviews were conducted with owners who were already known by the author. The time of operation for the businesses ranged from a few months to 10 years. Each business, except perhaps the video rental store, was judged by its owners to be a viable, ongoing concern.

### Data Source

The interviews took place in the entrepreneurs' place of business, which also permitted data collection based on observation of their location, environment, signage, interiors, clients, and employees. The interviews were semi-structured. Questions focused on business and educational experience, cultural practices, history of the business, and experiences of developing businesses in the Korean enclave. Questions allowed respondents to elaborate on their answers to

any degree they wished. All interviews were audio recorded with the subjects' consent. Following each interview, contact summary forms were completed that summarized the details of the business and entrepreneur, along with reflections by the interviewers.

In addition to the interviews, documents such as advertisements, websites, and social media sites were collected when available.

### Data Analysis

Data analysis proceeded inductively. Nvivo 9.1 software was used to organize and document the data. Four of the seven interviews were conducted in Korean and translated to English using a hired translator. Interview data were transcribed from the audio recordings and coded using a set of a priori codes informed by theory and with elements represented in Figure 1. Codes included Develop (DEV), Describe (DESC), Discover (DESC), Enclave (ENC), Rotating Credit Associations (RCA), and Culture (CUL). Emergent codes—Family (FAM), Education (EDU), Religion

**Table 1. First-Generation Korean Entrepreneur Study Participants**

| Owner's Name | Geographic Enclave | Type of Business        | Period of Operation |
|--------------|--------------------|-------------------------|---------------------|
| Ms. Park     | Doraville          | Video rental store      | 2 years             |
| Ms. Lee      | Doraville          | Restaurant              | 8 years             |
| Ms. Kang     | Duluth             | Beauty products         | 2 years             |
| Ms. Ko       | Duluth             | Education               | 5 years             |
| Ms. Nang     | Duluth             | Medical clinic          | 7 years             |
| Ms. Noe      | Duluth             | Martial arts wholesaler | 10 years            |
| Mr. Wang     | Suwanee            | Restaurant              | 1/4 year            |

**Table 2. Coding Sample**

| Excerpt   | Code | Research Question   | Samples Provided                                   |
|---|------|---|--|
| "...because of the Internet, everyone can make them [(business sales) really quickly..."  | DEV  | How do Korean entrepreneurs create and discover the opportunity to develop business ventures?                 | Atomi Beauty Products                              |
| "...business owners compete with each other to get benefits from the Korean community..." | DESC | How do Korean entrepreneurs describe their experiences in working within the enclave?                         | Korean Video                                       |
| "...Koreans focus on education stuff..."  | EDU  | How do espoused Korean cultural traits and business skills affect entrepreneurial success within the enclave? | Educational supplies and a job offer to teach math |

(REL), and Culture (CUL)—came from the first round of open coding. Descriptive subconstructs were needed to link areas where specific examples related to emergent codes. For example, subconstructs of REL-Church, REL-Networking, REL-Biz Training, and REL-Language were used to track religious practice to business operation. Tables were created to link excerpts from the interview transcripts associated with specific codes to the codes as they evolved in the author's interview codebook and then to the specific research questions. (See Table 2 for a sample.)

The research method used multi-case exploration with each of the seven interviews, supporting marketing documents, observation, and samples of products given by the interviewees; these data together represented a single case study. Interviewees provided documents to show how they marketed their business. For some of the case studies, their emphasis was on online marketing. The types of clients (e.g., Korean clients, vs. other immigrant or U.S. native clients) and various aspects of operations (e.g., language spoken) were recorded during each interview. Some interviewees

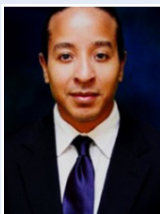
provided samples of products, such as beauty supplies, food, and trinkets from production. Multiple cases enable a replication logic, in which cases are treated as a series of experiments; each one serves to confirm or disconfirm inferences drawn from the others (Yin, 1984). Such qualitative explanatory research permits inductive analysis, which was my intent.

After the transcripts were created and the coding completed, the available data were studied and assessed for themes and anomalies.

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## ABOUT THE AUTHOR



**Wallace Taylor** is an entrepreneur and business person. He is currently the owner of Taylor Holdings International, Inc., and is also the Founder/CEO of The Taylor Foundation for the Arts. He received his Doctorate in Business from Georgia State University, Atlanta, GA. His entrepreneurial experience spans more than 10 years of successful initiation and implementation of private and non-profit organizations. He has worked in executive capacities in the fields of finance, technology, and real estate. His current work with participatory art in the field of public health serves a community of 2,000 students and involves contracts and collaboration between private, non-profit, and government entities. Through The Taylor Foundation for the Arts, his charitable outreach includes providing for the medical, educational, and financial needs of the children of the Moken tribe in Ban Kho Nok, Thailand (Phang Nga Province), and creating collaborative partnerships with The City of Clarkston (Clarkston, GA), which is home to one of the largest concentrations of refugees in the United States.